

Weather Forecast

Partly cloudy, continued warm, humid today, tonight, tomorrow with scattered afternoon or evening showers likely.

Temperatures today—High, 88, at 1:30 p.m.; low, 68, at 3:30 a.m. Yesterday—High, 81, at 11:02 a.m.; low, 70, at 11:46 p.m.

(Full Report on Page A-12)

Closing N. Y. Markets—Sales, Page A-19.

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WASHINGTON, D. C., WEDNESDAY, JULY 10, 1946—FORTY PAGES.

Guide for Readers

Page	Page
Amusements A-14	Obituary A-12
Comics A-18-19	Radios B-10
Editorials A-10	Society B-3
Editorial Articles A-11	Sports A-16-17
Finance A-19	Where to Go B-10
Lost and Found A-3	Woman's Page A-13

An Associated Press Newspaper

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Benjamin Fields Ready to Testify, He Wires Mead

Batavia Was Overpaid Millions for Contracts, Royall Testifies

By Carter Brooke Jones

Benjamin F. Fields, missing witness in the Senate war profits investigation, who has been sought widely to explain charges of attempted bribery and alleged efforts to impede the inquiry, reported to the Senate War Investigating Committee from Los Angeles today that he was hurrying back to Washington and would be ready to testify when called.

Mr. Fields, named by Senator Mitchell, Democrat, of Washington, as the man who had contributed \$5,000 to his campaign fund while suggesting that Senator Mitchell try to get the committee to stop "persecuting" one of the Garsson companies, declared the Senator had made "numerous unfounded and untruthful" statements about him. The committee meanwhile learned from Undersecretary of War Kenneth C. Royall that the War Department had asked the Justice Department to investigate an overpayment of \$1,000,000 in contracts to Batavia Metal Products, Inc., one of the largest of the Garsson munitions combine under scrutiny.

Eric Probe Suggested. It had been brought out before that the Federal Bureau of Investigation had been called into the case. Mr. Royall disclosed that he had asked Attorney General Clegg on May 31 to find out whether there was fraud in the overpayment and also suggested that the affairs of the affiliated Erie Basin Metal Products, Inc., be investigated.

When the inspector-general of the Army reported an overpayment of \$1,000,000, Mr. Royall said, "he concluded that the Department of Justice should investigate it."

The Garsson interests since have offered to settle for something over \$950,000, but did not want to pay cash, asking permission to make adjustment on an installment basis. Mr. Royall told the committee. This offer has not been accepted.

There was doubt, he said, whether either company was in financial condition at present to permit the Government to recover.

Freezing Order Modified. Discussing the War Department order of about nine months ago freezing Erie funds to protect Government claims, Mr. Royall pointed out that the order was modified, but that the War Department still required more than enough money to be frozen to satisfy all claims.

Mr. Royall said the modification order followed a visit which Secretary of War Patterson made to the office of Representative May, where two officers of the Garsson corporation protested against the freezing.

Mr. Patterson told the committee of the visit yesterday, but denied that anything was done as a result of it except what was considered fair to all concerned. He said all he told the committee was that the names he could not remember were to get in touch with War Department officers in the renegotiation branch.

At the outset of this morning's session, Chairman Mead read into the record a telegram from Mr. M. Garsson, head of the Illinois munitions corporations under committee scrutiny, and from two officers in the companies, Allen B. Gellman and Joseph T. Weiss, repudiating the charge of anti-Semitism made by others in the past, declaring it was without basis and had not been authorized by them.

Issue Raised by May. Chairman May of the House Military Affairs Committee had said in his speech in the House Monday that the Chicago ordinance district had objected to doing business with Dr. Garsson because he was a Jew, and the issue was brought further into the proceedings in testimony yesterday by Henry Paynter. (See WAR PROFITS, Page A-2.)

Late News Bulletins

Steers Reach \$23, New Top

CHICAGO (AP).—A load of prime low-end steers established a new top at Chicago's cattle market today at \$23. This figure outdistanced the 27-year high of \$21 which followed the World War and was not topped until last week with \$22.50. The \$22.50 top held almost daily since it was set last Tuesday and was yesterday's peak price.

Another Overseas Star Available Today

The latest Overseas Edition of The Star is available today at both The Star office and the street floor service desk in Lansburgh's Department Store.

Copies are free, with envelopes for mailing, but the edition is strictly limited. Please do not waste a single copy.

Sidney Hillman, Founder of PAC, Dies at Home on Long Island

Was Storm Center in 1944 National Election Campaign

By the Associated Press

POINT LOOKOUT, N. Y., July 10.—Sidney Hillman, 59, one-time immigrant boy and garment cutter who became one of the most powerful political figures of his time, died today.

It was Mr. Hillman, national chairman of the CIO Political Action Committee, who became a political storm center in the 1944 Presidential campaign when the Republican charge of "clear everything with Sidney" swept the country.

Republicans charged—and Democrats and Mr. Hillman denied—that the late President Roosevelt, passing through Chicago during the 1944 Democratic National Convention, told Robert Hannegan, Democratic national chairman, "clear everything with Sidney" regarding convention strategy and choices.

Mr. Hillman's death came at a heart condition at 8:40 a.m. in a bedroom of his six-room summer bungalow on the south shore of Long Island near Long Beach.

The labor leader was found unconscious in bed by his wife, Bessie. Dr. John Cahill, a neighbor had police rush an oxygen tent to the bedside but Mr. Hillman failed to rally and died shortly afterward.

The small, frail Mr. Hillman came here with his family June 1. They had made their summer home at this Long Island resort for the last 14 years.

Three weeks ago he suffered an attack of coronary thrombosis and since then he had been resting and trying to regain his strength.

Dr. Mack Lipkin, the family physician, said he believed Mr. Hillman died of a heart attack.

Lustig Given 4 Years And \$115,000 Fine in Tax Evasion Case

Nephew Draws Three Years and Accountant Two; Appeal Planned

By the Associated Press

NEW YORK, July 10.—Henry Lustig, president of the Longchamps restaurant chain, today was sentenced to a four-year prison term on his conviction on charges of evading payment of \$2,872,766 in Federal income taxes.

Judge Harold Kennedy also fined Lustig \$115,000.

E. Allen Lustig, nephew of the restaurateur, drew a three-year prison term and Joseph Sobel, chief accountant for the chain, was sentenced to two years' imprisonment for their part in the conspiracy.

Defendants Will Appeal. Lloyd Paul Stryker, chief defense counsel, gave notice of appeal and the defendants remained free under \$5,000 bail.

A jury of six men and six women deliberated less than four hours June 19 in returning a guilty verdict on all 23 counts of the indictment. The maximum penalty possible was 12 years in the jury recommended clemency.

The Government had recommended a five-year prison sentence and the \$230,000 fine for the elder Lustig.

The Government, during the trial which lasted more than a month, accused the Longchamps officials of falsifying the firm's books by exaggerating purchase figures and understating receipts.

The elder Lustig personally pocketed thousands of dollars in tips left by Longchamps patrons and withdrew more than \$1,000,000 in large denomination bills from the Longchamps account, according to Government testimony.

Defense Pleaded No Liability. The defense contended throughout the trial that the Lustigs were not liable to criminal prosecution because they voluntarily disclosed the tax delinquencies and paid the Government \$1,800,000.

Internal Revenue agents testified, however, that investigation of the Longchamps case already had begun when the Lustigs offered to settle their tax arrears.

Boris Eskin, special assistant attorney general who prosecuted the case, said the Government estimates that the defendants still owe upward of \$5,000,000 in taxes and \$3,000,000 in penalties.

Judge Kennedy, at the time of sentencing, said he had been assured by counsel "that these taxes will be paid."

The Government was understood to be planning civil court action, however, to recover the tax arrears and penalties.

Austria Assured We Won't Agree To Red Seizures

U.S. to Renounce Share Of German Assets In American Zone

By the Associated Press

VIENNA, July 10.—The United States Government announced today it would not recognize the Russian confiscation of German properties in the Soviet zone of Austria which fell into the category of forced transfers as defined at the London Conference of January, 1943.

At that conference, the Allies agreed that they would not recognize the transfer of properties to German ownership in German-occupied areas if such transfers were made forcibly, even if there was apparent willingness on the part of former owners.

Gen. Mark W. Clark, American commander in Austria, announced at the same time that the United States was prepared to turn over to Austrian trusteeships all German assets in the American zone pending negotiations of the Allied powers on the United States proposal to renounce the American share in German assets in Austria.

Proclamation by Truman. Gen. Clark presented the Austrian government a communication from President Truman only three hours after Chancellor Leopold Figl had appeared before an extraordinary session of the Austrian parliament to announce his government was not prepared to accept the Russian interpretation of German assets in the Russian zone.

The United States pronouncement was certain to have the heaviest reverberations in Austria where the Red Army's sudden order transferring a large part of the Austrian potential to the Soviet Union had caused consternation.

The pronouncement concluded with these words: "The United States Government wishes to make clear that it will recognize no physical transfer of property as conforming to the terms of the Potsdam agreement which does not also conform to the terms of the United Nations declaration on forced transfer of January, 1943, and which does not leave to Austria the sovereign control of an independent country over the resources within its borders, which was envisioned in the Moscow declaration of 1943."

25 Homeward-Bound Servicemen Die as B-17 Hits Mountain

Fortress Bringing Men From Newfoundland Crashes in Massachusetts

HOLYOKE, Mass., July 10.—Twenty-five Army, Navy and Coast Guard men—the entire crew and passenger list of a converted Flying Fortress carrying the homeward-bound servicemen from Gander, Newfoundland—were killed last night when the plane crashed against a 1,200-foot Mount Tom.

Salvage crews, summoned to the scene of New England's worst air disaster, labored today on the mist-shrouded hill that rises above the Connecticut Valley not far from Westover Field in nearby Chicopee, where the plane was to have landed at 8:27 o'clock last night.

The broken bodies of the occupants, whose names were without exception notified of next of kin, were scattered among the plane's wreckage along a 400-foot swath shorn by the crashing B-17 through dense woods 200 feet from the hill-top.

Twenty Bodies Rescued. Army rescue forces who struggled up a steep, cobblestoned road, reported that by daybreak they had recovered about 20 bodies and had taken them to Holyoke funeral homes.

The bodies were believed still in the smoking, charred wreckage that was spread in small pieces over the quarter-mile-square area. During the morning, many hours after the crash, the woods still were smoking and occasional bursts of flame kept Army guards busy with portable extinguishers. Molten engine nacelles and mangled parts of the fuselage still gave off an intense heat.

Army officers speculated that the pilot, possibly unfamiliar with the terrain, did not observe the mountain until it was too late.

Typical GI mementos of a happy homecoming that became a grim tragedy dotted the charred ground. There were personal snapshots, obviously of parents, wives and sweethearts. A gold watch, which somehow withstood the shattering crash glittered among the ashes, its hands stopped at 10:20, the approximate time of the crash.

Music Records Among Wreckage. Music records of the V-disc type distributed to armed service centers, were strewn among the wreckage. Charred and torn parachutes, unopened, lay in piles.

There also were Navy pea jackets, burned shoes, wallets, blankets and several letters.

Army officials said the letters were destined for the United States from the overseas servicemen. Westover Airfield officials said. (See BOMBER, Page A-6.)

War Crimes Tribunal in Tokyo Won't Bow to Nuernberg Rules

TOKYO, July 10.—The International War Crimes Tribunal has the "greatest respect" for decisions handed down in the trial of Nazi war criminals at Nuernberg, but it will not be bound by those decisions, Chief Justice Sir William Webb declared today.

Addressing his remarks to an American defense attorney, Sir William said: "You are wrong if you think we are slavishly going to follow" precedents set at Nuernberg. There were four nations prosecuting at Nuernberg, he added, while "those four and seven others are here."

The defense attorney, William Logan of New York, had requested that, when the prosecution reads excerpts from a defendant's confession, the defense be allowed at that time to read any part that explains further the excerpts. Mr. Logan cited a Nuernberg precedent.

While he reacted sharply to the reference to the Nuernberg precedent, Sir William said it was the duty of the prosecution "to read the whole of an answer or it may otherwise mislead the court."

The Chief Justice announced that the court would adjourn at noon until Monday morning to permit completion of an air-conditioning system in the sweltering courtroom.

"The heat is interfering with the proper discharge of our duties," Sir William said, after another tiff with defense counsel.

Evidence was presented today that fully two years before Japan created the 1937 China Incident the Kwangtung Army prepared a plan of propaganda "to convince the whole world of our lawfulness."

A secret army document introduced by the prosecution sought to show that some of the 27 alleged war planners now on trial were deeply involved in plans for Japanese expansion of the Asiatic mainland.

Man Killed, 4 Wounded In New York Holdup

NEW YORK, July 10.—One man was shot to death and four others, including a patrolman and a former Army sergeant, were wounded early today in a gunfight which followed an attempted holdup at a West Forty-seventh street cafe.

Police identified the dead man as Solly Moss, 30, a Bronx, business agent for Local 10 of the International Ladies Garment Workers Union, AFL. Officers said he was shot when he inadvertently brushed one of the men as they advanced toward the bar.

The patrolman, Arthur Green, and the former Army sergeant, John Healey, 30, New York, were shot during a pursuit of the robbers, who fled after shooting Mr. Moss. Two of the three were wounded and captured, the third escaped.

Later police said they were considering a possibility that Mr. Moss may have been the victim of a premeditated murder by thugs hired to kill him.

There were other clashes before the Council adjourned until July 24. Mr. Atcheson and Gen. Deryevanko disagreed on the Russian's recommendation that Gen. MacArthur order dissolution of a Japanese commission to investigate war causes. Here also British Delegate Ball agreed with Gen. Deryevanko.

Mr. Atcheson questioned whether Council members intended to collaborate with Gen. MacArthur.

The Russian requested information on compensation paid by the Japanese government to former war industries and proposed such claims be cancelled. If already paid in blocked funds he suggested they be returned to the Japanese treasury.

Lt. Comdr. P. C. Akin, Washington, D. C., Allied Liaison officer, told the Council Japanese Finance Ministry records showed such claims as of April 1, 1946, totaled 74,954,000,000 yen (almost \$5,000,000,000).

Niagara Falls City Workers Walk Out in Pay Demand

NIAGARA FALLS, N. Y., July 10.—Approximately 600 city employees took what a union official called a "vacation" from their jobs today in support of demands for wage increases and the City Council was summoned to emergency session to consider the controversy.

Edward P. Wood, president of local 138, American Federation of State, County and Municipal Employees, said "there is no picketing, no demonstration. We're just simply taking a little vacation." He added that certain essential services would be continued.

Mayor Stephen A. Lamb and City Manager Orville C. Butler informed the City Council that the City Council would meet with union officials before noon in an effort to reach a settlement.

Meanwhile, the union agreed to continue the service at water department stations, the sewage disposal plant and the incinerator and clock. There also were no picketing, no demonstration. We're just simply taking a little vacation." He added that certain essential services would be continued.

Mr. Wood said the workers voted last night to take the action after refusal of the City Council to act on requests for wage increases of 25 cents an hour and a revision of the pay scale of employees in certain work grades.

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U.S. Willing to Extend Treaty On Disarming Reich to 40 Years

Byrnes Makes Proposal After Molotov Complies Plan Is Inadequate

By the Associated Press

PARIS, July 10.—The United States is willing to extend its proposed disarmament treaty for Germany from 25 to 40 years in meeting Russian assertions that the original plan is inadequate. It was officially disclosed today.

The disclosure came as United States Secretary of State Byrnes and Soviet Foreign Minister Molotov aired their dispute over the American proposal by publishing the texts of their statements to the four-power Foreign Ministers' Council yesterday.

The Russian delegation released the text of Mr. Molotov's lengthy statement following last night's session. The American delegation followed suit just before the ministers were to assemble today to continue discussion of German problems.

British Delegate Sides With Russian in Clash Over Jap Labor Law

U. S. Member of Council Smacks Soviet Proposal

By the Associated Press

TOKYO, July 10.—The Russian member of the Allied Council for Japan submitted a 22-point proposal for Japanese labor legislation today, touching off a controversy in which the British delegate sided with him against the American chairman of the council, George Atcheson, Jr.

Lt. Gen. Kuzma Deryevanko, Soviet representative, declared, "the familiar signposts of propaganda."

"I am sorry that the chairman attempts—and not for the first time—to obscure his understanding of the Potsdam declaration and to utilize the Allied Council for propaganda for his political conceptions."

British Delegate W. MacMahon Ball asserted he had been studying Communist suggestions for signs of "vacation" from their jobs today in support of demands for wage increases and the City Council was summoned to emergency session to consider the controversy.

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De Lacy Widens Lead Over Radio Announcer In Washington Race

Mitchell Easy Winner In Senatorial Primary; Coffee Has Big Margin

By the Associated Press

SEATTLE, July 10.—Representative De Lacy, Washington Democrat, backed by James Roosevelt for renomination in the State primary election, steadily expanded his lead today over Howard C. Costigan, radio announcer, who had the backing of another Roosevelt, Mrs. Anna Roosevelt Boettiger.

Trailing in the early returns in the last district race after the polls closed at 10 o'clock last night, Representative De Lacy slowly cut down the margin of his old rival, he defeated Mr. Costigan for the same office in 1944—and was leading 18,662 votes to 15,810 with 555 of the district's 771 precincts reporting.

Trailers in the race were Joseph D. Roberts, former Army major, and Henry S. Noon, a Navy lieutenant. Mr. Roberts had held a slight lead in the early count.

Incumbents in Front. Other incumbents, where opposed, were comfortably in front. Representative Horan, Wenatchee Republican, led Virgil A. Warren of Spokane, 3,614 to 1,012, in 129 of 521 5th district precincts.

Representative Coffee, Tacoma, had 11,731 votes in 162 precincts to the 4,027 polled by his opponent, Burton W. Lyon, Jr., Tacoma Democrat. Representatives Jackson, 2d district, and Savage, 3d district, Democrats, and Holmes, 4th district Republican, were unopposed.

Senator Mitchell, Democrat, had 42,363 votes in 1,163 of the state's 3,376 precincts, compared to 8,432 for State Treasurer Russell H. Fluntz, his closest competitor. Harry P. Cain, former Tacoma mayor, led his Republican opponent for the senatorial nomination, J. Parkhurst Douglass, Tonasket, 50,516 to 6,456 in 1,163 precincts.

Battle of Roosevelt. Anna Roosevelt Boettiger, a former resident of Seattle, stepped into the campaign as a Costigan backer after her brother, James Roosevelt, had declared himself for Representative De Lacy.

Mr. Roosevelt asserted he was in a position to know who were his father's friends and supporters. Mrs. Boettiger said her Seattle connections made her capable of judging the two competitors and she urged her brother to switch from Representative De Lacy to Mr. Costigan. She asserted Representative De Lacy was "merely a name."

Mihailovich to Plead. BELGRADE, Yugoslavia, July 10 (AP).—Defense lawyers were concluding pleas today for clemency for Gen. Draja Mihailovich, former Chetnik leader and Yugoslav Minister of War, and 23 co-defendants accused of treachery and collaboration with the Germans. Mihailovich was expected to take the stand in a last plea for his life later today.

Truman to Meet Press

President Truman will hold a news conference at 4 p.m. tomorrow, Press Secretary Charles G. Ross announced today.

RFC Denies Faulty Accounting; Charges 'Double Talk' by GAO

The Reconstruction Finance Corp. today accused the General Accounting Office of "double talk" in making a general denial to GAO's contention the RFC is careless with accounting.

In a report to Congress June 21 the GAO said RFC "does not control its \$7,000,000,000 investments in properties."

Charles B. Henderson, RFC board chairman, told the House Expenditures Committee today the corporation has "a very definite, realistic concept of the place and importance of operating and accounting procedures."

Harry A. Mulligan, RFC treasurer, said in effect the RFC can account for every cent of its wartime investments, asserting the agency's records "adequately record the physical assets acquired for each project and as such give adequate control of the physical assets."

As for GAO's criticism of RFC's wartime operations, Mr. Henderson said: "If during the war RFC used all the technical accounting methods and controls that make things easy for auditors," he said.

Mr. Henderson told the committee the GAO charged no irregularity in RFC, but indulged in "opinions on technical matters, based on relatively short examination."

The Expenditures Committee, headed by Representative Mansasco, Democrat, of Alabama, began an inquiry after GAO filed the report on RFC.

New Veto Faces OPA in Ban on Meat Ceilings

Bi-Partisan Senate Bloc Also Seeks to Remove Dairy Items

BULLETIN

The Senate voted, 42 to 34, today to forbid price controls on cottonseed and soy beans and their products in any revival of OPA. An amendment to decontrol dairy products then was placed before the chamber.

The shadow of a possible second veto fell across the moribund OPA today as a bipartisan Senate majority got set to ban any future ceilings on milk, butter and cheese.

Top-heavy with Republicans, this majority primed the dairy products exemption as a fresh onslaught against the administration's price control revival, already staggering under yesterday's 49-to-26 vote to keep ceilings off meat, poultry and eggs.

Majority Leader Barkley gloomily conceded to newsmen that there was no chance of preventing the addition of dairy items to a control-free list that appeared likely to inspire a presidential veto if finally approved by Congress.

He added he couldn't be sure, either, of finding off amendments to put cottonseed, petroleum, tobacco and possibly some other products in the same classification.

Meat Output Rises 24 Pct. in First Week Without Price Control

The Agriculture Department reported today that meat production by Federally-inspected plants last week was 24 per cent greater than in the preceding week, when price controls were in effect.

This increase reflected heavy movement of livestock to market after price controls expired. However, last week's production was 38 per cent below that of the corresponding week a year ago.

No figures were available on last week's production by plants not under Federal inspection. Officials said output by such plants undoubtedly increased more than that of inspected plants.

came on an amendment offered by Senator Wherry, Republican, of Nebraska. The 25 Democrats and one Progressive who opposed it expected further setbacks.

But Senator Barkley said he still is confident the trend will be reversed when the Senate gets to what he regards as the even more important pricing provisions of the bill.

Taft Urges Original Formula. Senator Taft, Republican, of Ohio, has proposed a return to the formula of the original OPA measure under which manufacturers would be allowed price increases to meet average production cost gains in their industry since the July 1-15 period of 1940. Senator Taft charged only the 1941 date of the provision to which Mr. Truman objected so strenuously in his veto.

Senator Barkley hoped to beat that with a committee-approved amendment which Senator Taft charged was "merely a name" because it had so many loopholes.

The majority leader indicated that if he can win on the pricing issue, he will take the patched-up bill to a conference with House members, who so far have approved only a 20-day extension of OPA in its present form. It was the House that sustained President Truman's veto of the original extension bill.

May Revive Rent Control Only.

Republicans thought that if Senator Barkley lost in the battle with Senator Taft, he might abandon any attempt to revive OPA except for rent controls. They said such a result also was possible if the House keeps ceilings off meat, poultry, eggs, dairy products and other commodities.

Senators Ball, Republican, of Minnesota, and Milliken, Republican, of Colorado, told